

# Tetra Pak Transparency in Supply Chains Statement 2024

This statement sets out the steps taken by the Tetra Pak Group during the financial year ending 31 December 2023 to prevent modern slavery and human trafficking in our business and supply chains. It is intended to meet the obligations of Tetra Pak Materials LLC and Tetra Pak Processing Equipment Inc. pursuant to the California Transparency in Supply Chains Act.

## 1 Our company

Tetra Pak is a leading food processing and packaging solutions group with more than 24,000 employees and net sales of approximately € 12.7 billion. We have 51 production plants, 100 sales offices and 27 market companies around the world including Tetra Pak Limited and Tetra Pak Processing UK Limited (in the UK), Tetra Pak (Ireland) Ltd, Tetra Pak Marketing Pty Ltd (in Australia) and its holding company Tetra Pak Asia Pte Limited (in Singapore).

We operate as three businesses: Packaging Solutions (carton packages and packaging equipment), Processing Solutions and Equipment and Services. Each day we help to make food safe and available to meet the needs of hundreds of millions of people in more than 160 countries. We believe in responsible industry leadership and a sustainable approach to business.

Tetra Pak supply chains are global, and we manage over 15,000 suppliers in 110 countries. The top 10 countries for supplier spend are Sweden, United States, China, Brazil, Italy, Switzerland, Germany, Austria, Denmark and Hong Kong.

The goods and services procured by Tetra Pak are organised in three main categories:

- The base materials used in our packages (paperboard, polymer, aluminium foil, inks and films) are procured centrally.
- The modules, components, parts and services used in relation to our equipment sold to customers, are procured by global, regional and local procurement teams.
- The goods and services used for our own operations (IT, logistics, travel, HR, professional services, facility management, etc) are also procured at a global, regional and local level.

The reporting entities adhere to the Tetra Pak global processes and corporate governance framework, which integrate the activities aimed at preventing modern slavery and human trafficking (as part of our broader human rights due diligence), as described in this Statement.

## 2 Our focus areas in relation to modern slavery risks

Tetra Pak is committed to conducting every aspect of its business with integrity, complying with the rule of law and respecting human rights across our operations and value chain, in line with the United Nations Guiding Principles on Business and Human Rights.

Tetra Pak sees its suppliers as key partners, but also recognises that supply chains are a potential source of environmental and human rights risks. We have developed a structured approach to assess and address such risks, as described in this Statement.

To define the scope of supplier desk-based evaluations and ethical audits, we conduct a regular risk mapping, using EcoVadis IQ with online indices of environmental, social and governance risks related to the countries and industries in which our suppliers operate.

Supplier assessments are then prioritised based on industry and/or country risk. For our base materials we aim to ensure that environmental and social aspects are covered for each material using leading sustainability standards (FSC™, Bonsucro, ASI and ISSC). Our specific Responsible Sourcing Procedure for Liquid Packaging Board is publicly available, as is our Responsible Sourcing Procedure of Renewable Polymers. The relevant verification and assurance activities are governed by these standards and procedures, aiming at addressing specific human rights risks, including land rights, deforestation and biodiversity risks.

We use a systematic risk identification process to assess and prioritise risks to people across our value chain. For risks in our supply chain, this involves desk research, including reviewing suppliers' disclosures, relevant reports from civil society, international institutions and the media, and assessing information on suppliers from EcoVadis, Sedex audits, and industry schemes. This is complemented by interviews with a selection of external experts and credible proxies from NGOs and international institutions to provide expertise and insight into the risks to human rights in key supply chains, through dialogue with strategic suppliers, as well as internal stakeholder interviews.

Through this process, we assessed that the most severe risks that may occur to people in our supply chain are as follows:

- Working conditions;
- Forced labour;
- Impacts on indigenous peoples and local communities.

### 3 Actions taken to assess and address modern slavery risks

#### Due diligence in prioritised supplier categories

Following the exercise to identify Tetra Pak's salient human rights risks (the most severe risks to people) set out in section 3, we have developed action plans to prevent, mitigate, and remedy these risks by collaborating with suppliers, industry peers, multi-stakeholder associations, , and civil society.

For our main base material suppliers, we request information on their overarching human rights due diligence process, as well as on their management of human rights risks in the supply chains that are relevant to the specific material (paperboard, polymer, aluminium, inks). We assess the quality of their human rights risk identification process, with the results contributing to the overall assessment of supplier performance. The material specific information helps us build better understanding of risks to people in specific supply chains.

Throughout 2023, we have engaged with suppliers in other prioritised Corporate Services and Equipment categories on an individual basis to better understand their approach to human rights due diligence.

In the table below, the actions that we have undertaken based on this process are outlined.

Salient risk	Prioritised category	Action
<b>Extraction and cultivation of our raw materials:</b>  <b>Forced labour and working conditions</b>	Aluminium	<ul style="list-style-type: none"><li>• Expanded audits of suppliers to include an assessment of accommodation conditions</li><li>• Increased the traceability in our bauxite mining supply chain</li><li>• Assessed the maturity of the risk identification and prioritisation process of all aluminium suppliers</li></ul>
	Polymer	<ul style="list-style-type: none"><li>• Prioritised suppliers for further due diligence based on assessment of supplier maturity on human rights and geographical risk of forced labor</li></ul>

<b>Impacts on livelihoods of communities and indigenous peoples</b>		<ul style="list-style-type: none"> <li>Training for quality and technical auditors on the risk of workers paying recruitment fees</li> </ul>
	Paperboard	<ul style="list-style-type: none"> <li>Engaged with key suppliers on the human rights risks in kaolin mining</li> </ul>
	Renewable polymer	<ul style="list-style-type: none"> <li>In collaboration with AIM-Progress, began to explore new models for grievance mechanisms that are tailored to stakeholders at smallholder sugarcane farm levels</li> </ul>
	Inks	<ul style="list-style-type: none"> <li>Initiated a human rights impact assessment in pigment production</li> </ul>
<b>Working conditions in corporate services supply chain</b>	Logistics	<ul style="list-style-type: none"> <li>Engaged with warehousing suppliers to assess human rights management systems</li> <li>Established partnership with third party to undertake worker surveys with workers at road freight and warehousing suppliers</li> </ul>
	Installation Services	<ul style="list-style-type: none"> <li>Established partnership with third party to undertake worker surveys</li> </ul>
	Facilities management	<ul style="list-style-type: none"> <li>Engaged with key suppliers to assess implementation of human rights commitments</li> </ul>

### ***Our responsible sourcing procedure***

Our responsible sourcing procedures apply across every pillar of sustainability and are fundamental to conducting business with integrity.

The Tetra Pak Responsible Sourcing Procedure sets out the requirements for all purchasing categories to manage risks in relation to human rights, labour practices, occupational health and safety (OHS), environment, biodiversity, and business integrity.

Higher business conduct risks often lie within our supply chain, such as non-compliance among suppliers with local laws or with our Code of Business Conduct for Suppliers ([Supplier Code](#)). Our Supplier Code is an integral part of our supplier onboarding process and purchasing agreements, setting mandatory requirements for our suppliers and their sub-suppliers. It defines our requirements in the areas of human rights and labour practices, OHS, environmental management, and business integrity. It includes information on monitoring and audits, remediation, training, and engagement. In case of non-compliance, we collaborate with suppliers that acknowledge their impacts and seek to reasonably address them. Where suppliers show a consistent or significant lack of commitment to complying with our requirements, we reserve the right to end the relationship. In 2023, work was started to update to our Supplier Code to enhance our sustainability-related requirements.

We require suppliers to adhere to our [Supplier Code](#) and we undertake desk-based evaluations to assess suppliers' compliance and sustainability maturity. Regular risk mapping is carried out using [EcoVadis IQ](#) with online indices of ESG risks related to the countries and industries in which our suppliers operate. This helps determine the scope of supplier desk-based evaluations and ethical audits. Based on the risk assessment, we ask our suppliers to conduct either a site-specific [Sedex Members Ethical Trade Audits](#) (SMETA) for critical sites or an EcoVadis assessment. We have also developed an OHS Handbook for Contractors, which sets out the minimum OHS requirements to be understood and followed by all our contractors. Our ambition is to continuously improve supplier performance and secure a sustainable and resilient supplier base.

We regularly assess our suppliers on their environmental and human rights impacts. Any suppliers identified with actual or potential negative impacts on people or the environment are contacted to request improvement or, in the case of SMETA audits, put a corrective action plan in place. During 2023 we engaged with prioritised logistics suppliers to communicate our expectations on human rights. This included assessing the strength of their due diligence processes and guiding them on where they can enhance their systems. Suppliers within our Join Us in Protecting the Planet initiative

also provide information on their human rights due diligence process and how they manage human rights in their own supply chains.

All of our sites have been subject to SMETA Audits. These audits have not shown any signs of forced labour or child labour.

#### **Training**

We continuously enhance our training programmes and e-learnings to enable all people involved in procurement to effectively integrate Responsible Sourcing and sustainability considerations.

In 2023, we undertook training and capacity building exercises for a series of teams on human rights that cut across material impacts. In addition, we participated in working groups with a number of external initiatives, with the aim of building our expertise to take appropriate action on human rights risks to workers in the value chain and affected communities. These include AIM Progress, Shift's Business Learning Program, the Nordic Network on Business and Human Rights, the World Business Council for Sustainable Development, and the Business Network on Civic Freedoms.

## **4 Assessing the effectiveness of our actions**

- We are members of AIM-Progress, a forum of leading Fast Moving Consumer Goods manufacturers and common suppliers, assembled to enable and promote responsible sourcing practices and sustainable supply chains.
- We participate in Shift's Business Learning Program, [Business Learning Program - Shift \(shiftproject.org\)](https://shiftproject.org); The Nordic Business Network on Human Rights, facilitated by the Danish Institute of Human Rights; The World Business Council for Sustainable Development; and the Business Network on Civic Freedoms and Human Rights Defenders to help build internal capacity on human rights and broader sustainability issues.
- We joined the Sustainable Procurement Pledge in 2022 to increase knowledge on sustainable procurement practices and work with other companies to engage and empower procurement professionals. Through the Champions Program, we participated in a number of sessions with the Sustainable Procurement Pledge in 2023 to support the development of common tools and resources and increase the organization's reach.
- In 2022, we renewed our assessment by EcoVadis with a score 75/100, placing us in the top 1% of companies rated by EcoVadis in our industry category and receiving a Gold medal.
- Our production sites undergo regular SMETA audits based on a rolling schedule, allowing us to provide detailed assurance to our customers and stakeholders.
- In 2024, Tetra Pak will work with the support of Shift, the leading centre of expertise on the UN Guiding Principles on Business and Human Rights, to develop targets and indicators against material negative impacts.
- Tetra Pak's [Sustainability Advisory Panel](#) was formed in 2020 to provide independent strategic insight, guidance and assistance focused on sustainability and innovation in pursuit of our purpose. The panel currently has five independent external advisors who inform the management and business on ways to develop and operationalise an integrated sustainability agenda. In 2024, leading Business and Human Rights expert John Morrison joined the panel.

## **5 Consultation and approval**

This Statement has been prepared in consultation with employees with responsibility for the oversight of procurement, sustainability, legal, governance and risk processes in Tetra Pak.